

**DOWNTOWN COLUMBIA
TAX INCREMENT FINANCING APPLICATION DATA**

**PART I – APPLICATION FOR CREATION OF TAX INCREMENT FINANCE
DISTRICT**

- 1. Provide relevant information on the Applicant’s background and development experience.**

Applicant’s Response:

Applicant, The Howard Research And Development Corporation, is the original petitioner for New Town Zoning and has been the developer of Columbia, Maryland, throughout its 50+ year history. Applicant is a wholly-owned subsidiary of The Howard Hughes Corporation (HHC), which is the Community Developer under the Downtown Columbia Plan and, through its other affiliates, is developing three other master planned communities in Las Vegas (Summerlin) and Houston (Bridgeland and The Woodlands) and mixed-use properties in 16 states from New York to Hawaii.

John DeWolf is Senior Vice President Maryland, Development of HHC. Mr. DeWolf leads the Company’s strategic developments in Columbia, Maryland. Under Mr. DeWolf’s leadership, the Applicant’s affiliates developed the first new residential/retail mixed-use project in Downtown Columbia, The Metropolitan, with similar projects underway on an adjacent parcel, as well as the mixed use project in the newly renovated former Rouse Company Building with Whole Foods Markets and the Columbia Association’s Haven on the Lake; and has commenced renovations to make Merriweather Post Pavilion a state-of-the-art outdoor concert venue. Mr. DeWolf has over 30 years of real estate experience, including his work for New York & Company where he oversaw the addition of 225 stores. Mr. DeWolf has held senior positions with New England Development, Woolworth Corporation and The Disney Stores, Inc.

Greg Fitchitt joined HHC as Vice President, Development, in March 2013, working on a variety of assets from Miami to California. In early 2014, Mr. Fitchitt relocated to Maryland to focus on the development of Downtown Columbia. During the prior 15 years, Mr. Fitchitt completed nine shopping center redevelopments as a developer for Westfield, including projects in Washington State, Los Angeles, and San Diego. One of his projects was the first regional shopping center to be awarded a Gold level rating for sustainability by the USGBC under the LEED for Neighborhood Development pilot program. In

addition to his professional activities, Mr. Fitchitt has served on the boards of non-profit affordable housing developers in San Diego and Venice, CA, and the San Diego chapter of NAIOP. He currently serves as Chair and President of the Downtown Columbia Partnership, and as a board member of the Howard County Chamber of Commerce.

Ruth U. Hoang joined HHC as Vice President, Development, to guide the residential development planned as part of up to 13 million square feet of mixed-use space in the Development. Ms. Hoang is a seasoned real estate executive with more than 17 years of experience. She specializes in the complete life-cycle development of multi-family communities from site selection to project completion, having been involved in the development of approximately 4,400 units in the mid-Atlantic region. Ms. Hoang previously worked in development for Home Properties, JPI Development and the National Capital Revitalization Corporation. She is a member of ULI, DCBIA, NVBIA and CREW.

Gabriel Chung is Vice President, Development for HHC. With 15 years of development experience, Mr. Chung was part of the development team that secured legislation for the Downtown Columbia Plan in Columbia, Maryland. Mr. Chung structured the Company's joint venture agreement with Kettler for the new development of The Metropolitan Downtown Columbia as well as a second phase residential/retail development. Currently, he is leading the efforts for growing the commercial development program in downtown Columbia, including a 200,000-square-foot Class 'A' office building projected to begin construction in year-end 2015. Prior to joining the Columbia team, Mr. Chung was a development executive at The Woodlands Development Company. Working on the 28,000-acre Woodlands project, he was involved with the planning, financing, developing, and monetizing of the Town Center, totaling in excess of two million square feet of office, retail, and residential products.

2. Provide ownership information on the Applicant.

Applicant's Response:

Applicant is a wholly-owned subsidiary of HHC, a New York Stock Exchange Company headquartered in Dallas, Texas.

3. Provide names, addresses and contact information for the development team, including the engineer, architect, land planner, financial advisors, and attorneys.

Applicant's Response:

Applicant:

The Howard Research And Development Corporation
10221 Wincopin Circle, Suite 300
Columbia, Maryland 21044
Attention: Greg Fitchitt

Civil Engineer:

Gutschick, Little & Weber, P.A.
3909 National Drive, Suite 250
Burtonsville Office Park
Burtonsville, Maryland 20866
Attention: Mike Trappen

Financial Advisor:

CohnReznick
500 East Pratt Street, Suite 200
Baltimore, MD 21202
Attention: Ira Weinstein

Construction Manager*:

Harvey Cleary Builders
6710A Rockledge Drive, Ste. 430
Bethesda, MD 20617
Attn: Kevin Rogge
[*Crescent Area 1 Office Bldg A and associated garage]

Construction Manager**:

James G Davis Construction
12530 Parklawn Drive
Rockville, MD 20852
Attn: Dave Kuncheff
[**Crescent Area 3 Retail / Residential / Park / Parking]

Natural Resources Consultant:

Daft-McCune-Walker, Inc.
200 East Pennsylvania Avenue
Towson, Maryland 21286
Attention: Eric J. Chodnicki

Development Consultant:

Development Management
Group LLC
5045 Dorsey Hall Drive, Suite 204
Ellicott City, Maryland 21042
Attention: Brian J. Spencer

Project

Architects / Land
Planners: Design
Collective, Inc.
601 East Pratt Street, Suite 300
Baltimore, Maryland 21202
Attention: Cecily Bedwell

JP2 Architects, LLC:

2835 O'Donnell Street, Suite 300
Baltimore, MD 21224
Attention: Jamie Pett

Ecological Engineer:

Biohabitats
2081 Clipper Park Road
Baltimore, Maryland 21211
Attention: Christopher Streb

Land Use Counsel:

Linowes and Blocher
LPP
7200 Wisconsin Avenue
Suite 800
Bethesda, Maryland 20814
Attention: Todd D. Brown, Esq.

Traffic and Parking Consultant:
 Wells & Associates
 1420 Spring Hill Road, Suite 610
 Tysons, Virginia 22102
 Attention: Michael J. Workosky

TIF Counsel:
 Miles & Stockbridge P.C.
 1500 K St. NW
 Washington, DC 20005
 Attention: John A. Stalfort, Esq.

4. Identify the area of the proposed TIF District by address and Tax Map parcel numbers(s). Include a map outlining the proposed area of the TIF District. Provide current assessments for land and improvements for each parcel.

A map and list of parcel numbers are attached as Exhibit 1.

5. Describe the Development, including identification of uses (i.e., residential, retail, office, etc.), the density of each use and the phasing schedule for the Development.

Property Type	Area ¹		
	Units	Rooms	Gross SF
<i><u>Residential</u></i>			
<i>Rental</i>			
MF rental - market rate	2,444	-	2,748,920
Parcels C&D multi-family (Metropolitan)	817	-	890,530
MF rental - 80% AMI	113	-	121,458
MF rental - 60% LIHTC HC Owned	60	-	55,200
MF rental - 60% LIHTC PILOT	90	-	82,800
MF rental - 30% AMI	114	-	119,436
<i>For Sale</i>			
Condos	234	-	351,000
Townhomes	88	-	132,000
Sub-total residential	3,960		4,501,344
<i><u>Commercial</u></i>			
Office	-	-	3,429,300
<i>Retail</i>			
Special taxing district retail	-	-	160,780
Parcels C & D retail (Metropolitan)	-	-	43,821
Sub-total retail			204,601
<i>Restaurant</i>			
Full service	-	-	96,468
Fast food service	-	-	64,312
Sub-total restaurant			160,780
Hotel	-	250	149,100
Civic/recreation	-	-	70,000
Sub-total commercial	-	250	4,013,781
Total projected development	3,960	250	8,515,125
¹ Projected development provided by The Howard Research and Development Corporation.			

6. Describe the public infrastructure which you propose to fund with the tax increment.

A detailed list of improvements requested to be financed is attached as Exhibit 2.

7. Describe the tangible public benefit to residents outside the TIF District.

The development and successful implementation of the Downtown Columbia Plan will benefit residents by becoming a hub of economic and cultural activity. More than 20,000 jobs will be created, and Howard County will have a desirable downtown destination that will attract both County residents as well as visitors from outside Howard County. See attached *Economic and Fiscal Impact Report for Downtown Columbia* dated 7/26/2015 as prepared by Cohn Reznick.

List all owners of the property proposed to be included in the TIF District. If the Applicant(s) does not hold legal title to the property, describe the Applicant's interest in all property to be included within the TIF District.

A list of parcel numbers, including a list of owners, is attached as Exhibit 1.

A brief description of the parcels, including parcel numbers as shown in the Exhibit 1 map, for which HRD does not hold sole legal title is as follows:

Parcels 26 through 32 comprise the land under the development referred to as "The Metropolitan" and "Parcel C". These parcels are held in Joint Venture entities with Kettler identified as "Parcel D Property, LLC" (the Metropolitan) and Parcel C Property, LLC, respectively. Parcels 16 and 17 are open space parcels owned by the Columbia Association. Parcel 13 is the ground underlying the American City Building. HRD holds a master lease on the building itself, but the fee interest in the land is owned by a third party, Wincopin Associates, LLC. HRD also owns all the land which provides the parking for the building. Parcel 5 is the Sheraton property, owned by Interstate Columbia, LLC. HRD owns the majority of the land which provides the parking for the building.

8. What is the current zoning of the property described in Item No. 4? Will further zoning approvals be required?

The property in the Downtown Columbia Plan Area is currently zoned NT ("New Town") District under Section 125 of the Howard County Zoning Regulations. Pursuant to Section 125, development levels are limited to the following:

Howard County Zoning Code – Maximum Development Levels*

Dwelling units	5,500	Units
Net new office	4,300,000	GFA
Net new hotel	640	Rooms
Net new retail	1,250,000	GFA
<p>*The above development levels shall be in addition to the number of dwelling and gross floor area of nonresidential uses shown on a Site Development Plan approved prior to April 6, 2010. Source: Howard County Zoning Regulations Section 125, 9.c.</p>		

Legislation is currently proposed that would amend the allowable uses for the property in the Downtown Columbia Plan Area. Amendments to Section 125 of the Howard County zoning regulations are contemplated to provide for affordable income units in Downtown Columbia. Upon approval, the Downtown Columbia Plan Area would be subject to minimum and maximum development requirements for the construction of 900 affordable housing units. The table below shows the maximum allowable uses consistent with the proposed legislation.

Proposed Zoning Amendments - Maximum Development Levels

Affordable dwelling units	900	Units
Dwelling units	5,500	Units
Net new office	4,300,000	GFA
Net new hotel	640	Rooms
Net new retail	1,250,000	GFA
<p>Source: Affordable Housing Joint Recommendations Proposal.</p>		

9. What other County or state land development approvals will be required for the Development? How many, if any, have been obtained?

Applicant's Response:

Development in Downtown Columbia requires Howard County Council ("County Council") approval of Downtown-Wide Design Guidelines, and Howard County Planning Board ("Planning Board") approval of Final Development Plans and Neighborhood Documents for each Downtown Columbia Neighborhood, and a Site Development Plan for each specific development proposal. The Neighborhood Documents consist of Neighborhood Specific Design Guidelines, a Neighborhood Concept Plan and a Neighborhood Specific Implementation Plan.

The County Council approved the Downtown-Wide Design Guidelines in Resolution No. 138-2010 adopted March 7, 2010.

Site Development Plan approval will be required for all development that has not received SDP approval to date. Additional Final Development Plan approval will also be required for development in the Lakefront and Symphony Overlook Neighborhoods.

In addition to Howard County development plan approvals, development activity in Downtown Columbia requires that developers complete certain environmental restoration projects, including stormwater management retrofit, stream corridor restoration, wetland enhancement, and reforestation and forest restoration, as identified in the Land Framework of the Sustainability Program as referenced in Section 3.1 of the Plan. Certain of these enhancements require a Joint Permit Application with the Maryland Department of the Environment and Corps of Engineers, which are in process.

Approvals to date are included as attached .PDI files in Exhibit 4, including:

- Downtown Columbia Plan
- Downtown Wide Design Guidelines
- Warfield Neighborhood Design Guidelines
- Warfield Neighborhood Implementation Plan
- FDP-DC-Warfield-1
- FDP-DC-Warfield-1A
- SDP-13-007 (Warfield Parcel D)
- SDP-14-024 (Warfield Parcels C-1 and C-2)
- Crescent Neighborhood Design Guidelines
- Crescent Neighborhood Implementation Plan
- Crescent Environmental Permits

- FDP-DC-Crescent-1
- SDP-15-068 (Crescent Areas 1 and 4)
- CEPPA 12 Modification
- F 15-098 Final Road Plans Area 1 (Divided Sky Lane partial)

Additional approvals currently in process include:

- FDP-DC-Crescent-1A (FDP Amendment)
- PES Preliminary Equivalent Sketch (Crescent Area 3)
- Joint Recommendations for Affordable Housing in Downtown Columbia, including:
 - GPA 2016-03 (Amendment to Downtown Columbia Plan and PlanHoward2030)
 - ZRA-170 (Zoning Regulation Amendment)
 - DRRRA (Development Rights and Responsibilities Agreement)
- ECP-16-041 (Environmental Concept Plan for Merriweather Drive and Symphony Woods Drive)
- F 15-106 Merriweather Drive Phase I Final Road Plans
- F 16-107 Merriweather Drive Phase II Final Road Plans
- Merriweather Drive Phase III Final Road Plans (no number assigned yet)
- SDP 15-068 Amendment for Two Merriweather (2nd office building) (no number assigned yet)

10. Attach plans or drawings which depict the Development.

Exhibit 5 includes a development map, photos of the existing Metropolitan, and renderings which depict the Development.

11. Is public water and sewer available to serve the proposed Development?

Water and sewer trunk lines exist in Downtown Columbia with adequate capacity for development located outside of the crescent development (parcel 24 as shown in Exhibit 1). The water and sewer mains to serve the crescent development will be installed in conjunction with the construction of Merriweather Drive and the North-South Connector (also known as Symphony Drive).

- 12. Indicate whether State funding will be needed for the Development or for supporting infrastructure improvements, and if so, whether the Development is located within Howard County's priority funding area (PFA). Will a PFA boundary amendment be required? If so, state the nature and extent of the proposed change.**

Applicant's Response:

We anticipate that state funding will be required in connection with certain major transportation improvements contemplated by the Plan, such as new or modified connections to SR29. The Development is located within a PFA as designated by the Maryland Department of Planning; therefore no PFA boundary amendment will be required.

- 13. Describe how the Development conforms to the County's General Plan and any other relevant County plans (Economic Development Authority Plan, Recreation and Parks Master Plan, etc.).**

Applicant's Response:

In 2010 the Howard County Council adopted *The Downtown Columbia Plan, a General Plan Amendment*, as Bill 58-2009 ("Downtown Columbia Plan"). The Downtown Columbia Plan presents a vision for the evolution of Downtown Columbia as Howard County's economic and cultural center and recommends development of approximately 13 Million net new square feet of commercial and residential uses. The Downtown Columbia Plan is the controlling expression of planning policy for Downtown Columbia.

The Downtown Columbia Plan recommends specific policies to guide redevelopment of the suburban town center of Columbia into an urban mixed-use environment. These policies include recommendations for, among other items: (i) establishing interconnected neighborhoods; (ii) providing diverse housing; (iii) establishing Downtown Columbia as a major financial and economic center; (iv) enhancing the role of cultural activities; and (v) providing a balanced multi-modal transportation system served by a connected street network offering route choices, dispersing traffic and providing sufficient capacity to meet user demand as development progresses.

The Downtown Columbia Plan includes specific recommendations for the development of a new street framework, including new major collector roadways in the undeveloped area south of Little Patuxent Parkway referred to as The Crescent. These new major collectors will provide access throughout The Crescent which will be developed with approximately 4.9 Million square feet of new office, retail, hotel, residential and cultural uses. The new roads will also

provide alternate access to/from Maryland Route 29 facilitating access to The Crescent and the rest of Downtown Columbia and dispersing traffic on Little Patuxent Parkway, Broken Land Parkway and Governor Warfield Parkway.

The Downtown Columbia Plan provides that “[r]esponsibility for funding and constructing and implementing these improvements and programs will be shared among the private sector, public –private partnerships, Howard County (through the Adequate Public Facilities road excise tax and *tax increment financing*) and/or public sector capital budgets.” (emphasis supplied)

Development in Downtown Columbia is required by local zoning regulations to conform to the Downtown Columbia Plan, including the following exhibits that are a part of the plan (Street and Block Plan, Maximum Building Heights Plan, Neighborhoods Plan, Primary Amenity Space Framework Diagram, Street Framework Diagram, Bicycle and Pedestrian Plan and Open Space Preservation Plan. The Howard County Planning Board is required to make a specific finding of conformity in order to approve the Development and any future modification(s) thereto.

By its Decision and Order dated April 16, 2015, the Howard County Planning Board approved the Final Development Plan (“FDP”) and Neighborhood Documents for The Crescent. The approved plans include the extension of Hickory Ridge Road east from its intersection with Broken Land Parkway, as well as the major collectors Crescent West and the North-South Connector. The approved FDP also includes Public Roads A, B, C and D.

In its Decision and Order, the Planning Board found the Crescent Neighborhood documents (Neighborhood Concept Plan, Neighborhood Specific Design Guidelines and Neighborhood Specific Implementation Plan) conformed with the Downtown Columbia Plan, including the Street and Block Plan, the Neighborhoods Plan, the Maximum Building Heights Plan, the Primary Amenity Space Framework Diagram, the Street Framework Diagram, the Bicycle and Pedestrian Plan and the Open Space Preservation Plan. The Planning Board also found that the FDP conformed with those approved Neighborhood Documents.

Development of an individual parcel or parcels must also receive Site Development Plan (“SDP”) approval from the Planning Board. In order to approve an SDP, the Planning Board must make a finding that the development conforms to the Downtown Columbia Plan and the approved FDP.

In addition, the Development conforms with a watershed management plan known as the *Best Management Practices for Symphony Stream and Lake Kittamqundi Watersheds* that was prepared as a supplement to the Downtown Columbia Plan (“Environmental Plan”). The Environmental Plan was prepared to determine then-existing conditions of environmental resources and to recommend environmental enhancements to these natural features. In accordance with phasing approved by the Howard County Planning Board, HRD has completed

Phase I of the environmental enhancements developed upon the recommendations of the Environmental Plan. The remaining phases of environmental restoration will be completed in accord with the timing approved by the Planning Board and will generally coincide with adjacent land and roadway development by HRD in The Crescent.

The Development also conforms with PlanHoward2030, the most recent Howard County General Plan (“General Plan”). Specifically, the General Plan identifies Downtown Columbia as a Growth and Revitalization Area. The General Plan recommends implementing the Downtown Columbia Plan to create a vibrant mixed-use urban center for Howard County. The General Plan also indicates the County expects future growth and development to be directed to Downtown Columbia (as well as nodes along Rts. 1 and 40). The General Plan further characterizes the Downtown Columbia Plan as setting forth the strategy for transitioning a first-generation, suburban, town center into the County’s 21st century urban center. The Development conforms in every respect to these recommendations.

Lastly, the Development also conforms to the 2011 Amendment to the Howard County Water and Sewerage Master Plan. Downtown Columbia is located in the Planned Water Service Area (Existing and Under Construction). Downtown Columbia is also located in the Planned Sewerage Service Area (Existing and Under Construction). There are existing water main facilities located in Little Patuxent Parkway and a water main runs through The Crescent property. Sewer service exists in the main stream valleys that will serve the Development. Extension/realignment of these facilities is required, all in conformance with the Plan and within the existing service areas.

14. Provide information on the number, type and wage scales for the jobs (permanent and temporary) to be created and retained in the TIF District.

Estimated jobs and wages at full build-out, including full time and part time positions are shown in the following table:

Permanent Jobs:	Jobs¹	Compensation¹
<i>Office</i>		
Direct impacts	12,149	\$966,786,274
Indirect impacts	6,874	\$371,066,095
<i>Retail</i>		
Direct impacts	337	\$10,685,412
Indirect impacts	96	\$5,864,084
<i>Restaurant</i>		
Direct impacts	1,425	\$34,048,360
Indirect impacts	262	\$14,651,572
<i>Hotel</i>		
Direct impacts	65	\$2,077,045
Indirect impacts	21	\$1,163,173
Total direct impacts	13,976	\$1,013,597,091
Total indirect impacts	7,253	\$392,744,924
Total permanent impacts	21,229	\$1,406,342,015
¹ Represents the full time and part time positions as estimated using IMPLAN software by IMPLAN Group, LLC		

15. Will the Private Development qualify for any County, State or Federal tax credits?

Applicant’s Response:

Certain improvements in the TIF District may be eligible for or result in the availability of certain Federal, State and local tax credits, such as the following:

- A homestead property tax credit against local real property taxes on certain owner-occupied residential property in the District under Section 9-105 of the Tax-Property Article of the Annotated code of Maryland may be applicable
- A homeowners property tax credit for low-income households for owner-occupied residential property in the District under Section 9-104 of the Tax-Property Article of the Annotated Code of Maryland may be applicable

- Low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986 which provides an incentive for the development of affordable rental housing.
- State property tax credits may be available under Sections 9-203 and 9-242 of the Maryland Tax-Property Article in connection with buildings that achieve a LEED silver rating or use solar, geothermal or other qualifying energy conservation devices in connection with the operation of a building.

16. What will be the impact of the TIF District on any existing businesses in the TIF District or in areas in proximity to the TIF District?

Applicant's Response:

The development of new public and private improvements in the TIF District will benefit the existing businesses therein by stimulating additional economic activity and providing more customers and visitors as a result of the increased number of residents, office workers and visitors to Merriweather and the hotel/conference center. Employees of businesses currently located downtown will benefit from improved transportation access, greater parking options, and additional shopping, dining, recreational and cultural choices. These enhancements will make Downtown Columbia a more appealing environment, supporting existing businesses' employee recruitment and retention efforts. As stated in the Downtown Columbia Plan, "The foundation underlying these strategies [to increase economic activity] is the creation of a vibrant mixed-use environment where various economic drivers support each other. ...[I]t is the mix of uses that will fuel the economic vitality of the area and enhance the experience and attractiveness of downtown for each user and occupant."

17. Describe any affordable housing components of the Private Development.

Applicant's Response:

The Downtown Columbia Plan currently provides for a Housing Trust Fund, whereby new residential development makes payments which are to be used by the Columbia Downtown Housing Corporation (CDHC) to create affordable housing downtown. At the request of the County, the Applicant is currently in discussions with CDHC and the County about changes to the Downtown Columbia Plan as it relates to affordable housing. Based on those discussions, it is anticipated that the Housing Trust Fund structure will be changed and affordable housing will be included in each new rental residential project moving forward, including a percentage of units targeted to both the low income (30% of Howard County Area Median Income) population and the moderate income (80% of

Howard County Area Median Income) population. Additionally, a number of Low Income Housing Tax Credit (LIHTC) projects, including units targeted at the 50% of Howard County Area Median Income population, are anticipated to be developed through a partnership with the Applicant, CDHC, the County and the County Housing Commission.

- 18. Provide any other information which supports how the Development meets the Tax Increment Financing Guidelines (the “TIF Guidelines”) adopted by the County, specific to the creation of a TIF District.**

Applicant’s Response:

The TIF Guidelines require that the developer requesting TIF financing has a significant investment at risk in the development relative to the amount of County investment in the public infrastructure funded through the TIF. The total cost of the Private Development is estimated to be \$2,340,000,000. The total cost of the public improvements for the Development is estimated to be \$170,790,246. The cost of the public improvements to be funded through the TIF is estimated to be \$127,684,194. The relative investment of the Applicant to that of the County in the Development is approximately 18.3 to 1.0.

In compliance with the TIF Guidelines, the issuance of the TIF bonds for the Development will not have an adverse impact on the County’s credit rating.

PART II – APPLICATION FOR TAX INCREMENT FINANCING

- 1. Provide relevant information on the Applicant’s background and development experience. (Unless provided in Part I).**

Provided in Part I.

- 2. Provide ownership information on the Applicant. (Unless provided in Part I).**

Provided in Part I.

- 3. Provide names, addresses and contact information for the development team, including the engineer, architect, land planner, financial advisors, and attorneys. (Unless provided in Part I).**

Provided in Part I.

4. **Identify the area of the proposed Development by address and Tax Map parcel numbers(s). Include a map outlining the Development within the existing TIF District. Provide current assessments for land and improvements for each parcel.**

A map and list of parcel numbers are attached as Exhibit 1.

5. **Describe why the Development will not be economically feasible but for the establishment of a TIF District and how much TIF support is required to make the Development economically feasible, including:**

Applicant's Response:

- a. **Provide information on all other alternative methods of financing that have been explored.**

The financial crisis that began in 2008 has significantly changed the criteria for development loans. The public infrastructure necessary for the development of the entire Downtown as envisioned in the Downtown Columbia Plan is very substantial. Even when the public infrastructure is programmed into phases, the amount required up front for each phase is quite large. Despite the Applicant's significant equity investment in the Development, financing for public infrastructure of this magnitude is not available in the current commercial debt market.

- b. **Provide a pro-forma of all development costs and estimated revenues through the proposed term of the TIF financing.**

Applicant has previously provided its pro-forma for the Development to the County and its Financial Advisor under separate cover.

- c. **Provide an explanation of the circumstances generating the need for TIF financing (as opposed to commercial financing).**

See the response to 5.a above.

6. **Identify sources, amounts, and status of all debt financing and/or equity funding available to complete the Development. Does the Applicant anticipate the debt to be privately financed by a construction lender or developer or publicly sold?**

Applicant's Response:

In addition to the requested TIF financing for a portion of the costs of the public infrastructure, the Applicant intends to explore through its extensive relationships

in the private debt and equity markets all possible sources of debt and equity to complete the Development. The Applicant expects to fund such costs through a combination of private construction financing and institutional and Developer-provided equity. Since the requested TIF financing is essential to the economic viability for the Applicant of the Development, the Applicant will be able to approach such potential funding sources once the County Council has approved the requested TIF financing and the contingency of this public support has been removed. The TIF bonds are expected to be sold in a limited public offering to institutional investors.

In addition, state separately the cost(s) associated with the development of the public infrastructure and the Private Development. Identify which costs you propose to fund with the tax increment and the proposed time frame for repaying that obligation. Include how public infrastructure or services not financed by the tax increment will be funded.

Applicant's Response:

Sizing for the total investment contemplated is estimated at \$2.34B, of which public infrastructure is approximately \$171M and private development is \$2.17B, or roughly 93% of total cost. The majority of TIF proceeds would fund public parking structures, with a small portion used to fund roadway network infrastructure. The combined total of TIF funded public improvements would be approximately \$128M. We anticipate the remaining funding sources estimated at \$2.2B to come from developer's cash reserves and traditional project-based debt financing, projected at 65%.

- 7. Provide a market study or other financial analysis acceptable to the County supporting the economic feasibility of the Private Development.**

Applicant's Response:

Exhibit 6 includes the *Market Analysis for Development In Downtwn Columbia* prepared for Howard Hughes Corporation dated May 2, 2016.

- 8. Identify any proposed tenants of the Development. Have leases been negotiated and signed? What type of lease is contemplated? What are the lease rates?**

Applicant's Response:

In the first phases of development under the Downtown Columbia Plan, numerous commercial leases have been executed, including tenants such as Whole Foods, Haven on the Lake, Corner Bakery, MOD Pizza, Floyd's Barbershop, Petit Louis, Clyde's (renovation), GP Strategies, Enterprise, and others. Leasing in the first

new residential building (the Metropolitan) is approximately 50% complete as of June 2015. Lease negotiations are in progress with major office, retail and restaurant tenants for future phases, including Parcel C in the Warfield neighborhood and Areas 1 and 3 in the Crescent. No leases have yet been signed for these future parts of the project. Leases will include office, retail, restaurant, and residential leases. Leases are anticipated to be primarily space leases (as opposed to ground leases) with terms for commercial tenants generally being 5 years or longer, as appropriate to the specific building, tenant and type of use. Lease rates are anticipated to be at the higher end of the Columbia commercial and residential leasing markets.

9. List all entities who will own the property immediately after construction of the public infrastructure is completed.

Applicant's Response:

The Applicant and various single-purpose limited liability companies owned or controlled by HHC or jointly owned or controlled by HHC and one or more unrelated developers or investors; also, as to property currently not owned or controlled by HHC or an affiliate, various third-party property owners.

10. Provide evidence substantiating that the Applicant has sufficient financial resources to obtain the private financing necessary to complete the Development.

Applicant's Response:

The Applicant has extensive relationships with construction financing sources and equity providers, and intends to present evidence of sufficient commitments in the form of commitment letters and/or term sheets from one or more of such capital sources at the appropriate time. In addition, Applicant's parent is a publicly-traded New York Stock Exchange corporation with sufficient capitalization to fund the capital required to complete the Development in conjunction with the proceeds of the TIF bonds.

11. Describe any environmental hazards or contamination on the property.

Applicant's Response:

None known, as to property within the Development that is owned or controlled by the Applicant or its affiliates.

- 12. Provide any other information which supports how the Development meets the Tax Increment Financing Guidelines (the “TIF Guidelines”) adopted by the County specific to the request for Tax Increment Financing.**

Applicant’s Response:

See Item 19 of Part I

Exhibit 1

Map Number	ACCTID	OWNER NAME	ACRES	2015 Assessed Value ¹
1	1415019891	TOWN CENTER E PARKING LOT	3.93	\$0
2	1415019549	HRD HOLDINGS CORPORATION	2.29	\$0
3	1415001739	COLUMBIA MALL BUSINESS TRUST	1.21	\$2,617,100
4	1415009039	TOWN CENTER E PARKING LOT	1.68	\$0
5	1415009047	INTERSTATE COLUMBIA LLC	6.20	\$18,505,200
6	1415132353	TOWN CENTER EAST PARKING	0.23	\$800
7	1415053860	HRD PARKING DECK BUSINESS TRUST	1.13	\$0
8	1415120002	WINCOPIN RESTAURANT BUSINESS TRUST	0.32	\$1,407,000
9	1415119993	HRD PARKING DECK BUSINESS TRUST	0.46	\$0
10	1415041471	COLUMBIA MALL BUSINESS TRUST	1.58	\$1,918,900
11	1415019379	COLUMBIA MALL BUSINESS TRUST	0.26	\$108,400
12	1415041498	COLUMBIA MALL BUSINESS TRUST	1.82	\$5,016,900
13	1415013745	WINCOPIN ASSOCIATES LLC	0.63	\$8,717,700
14	1415019352	ACB PARKING BUSINESS TRUST	2.22	\$839,300
15	1415031425	CLOVER ACQUISITIONS LLC	7.29	\$20,076,600
16	1415019964	HOWARD RESEARCH AND DEVELOPMENT	9.19	\$0
17	1415010967	COLUMBIA ASSOCIATION INC	0.96	\$0
18	1415057009	10 CCC LLC	2.40	\$8,900,000
19	1415042397	10/20/30 CCC PARKING DECK LLC	2.01	\$0
20	1415057440	20 CCC LLC	1.41	\$8,870,400
21	1415057459	30 CCC LLC	2.43	\$10,864,200
22	1415077964	40 CCC PARKING DECK LLC	1.84	\$0
23	1415077972	40 CCC LLC	2.18	\$13,732,000
24	1415019921	HOWARD RESEARCH AND DEVELOPMENT	65.28	\$6,792,300
25	1415126205	50/60/70 CCC PARKING DECK LLC	6.18	\$0
26	1415595518	PARCEL C BUSINESS TRUST	0.22	\$0
27	1415595516	PARCEL C BUSINESS TRUST	0.06	\$0
28	1415130164	PARCEL D PROPERTY LLC	4.50	\$0
29	1415126264	MALL ENTRANCES BUSINESS TRUST	0.85	\$351,700
30	1415595159	PARCEL C PROPERTY LLC	2.61	\$1,188,900
31	1415595515	PARCEL C PROPERTY LLC	0.47	\$0
32	1415130156	PARCEL C PROPERTY LLC	2.36	\$1,085,400

Source: Maryland State Department of Assessments and Taxation.

Parcel Map and District Boundary

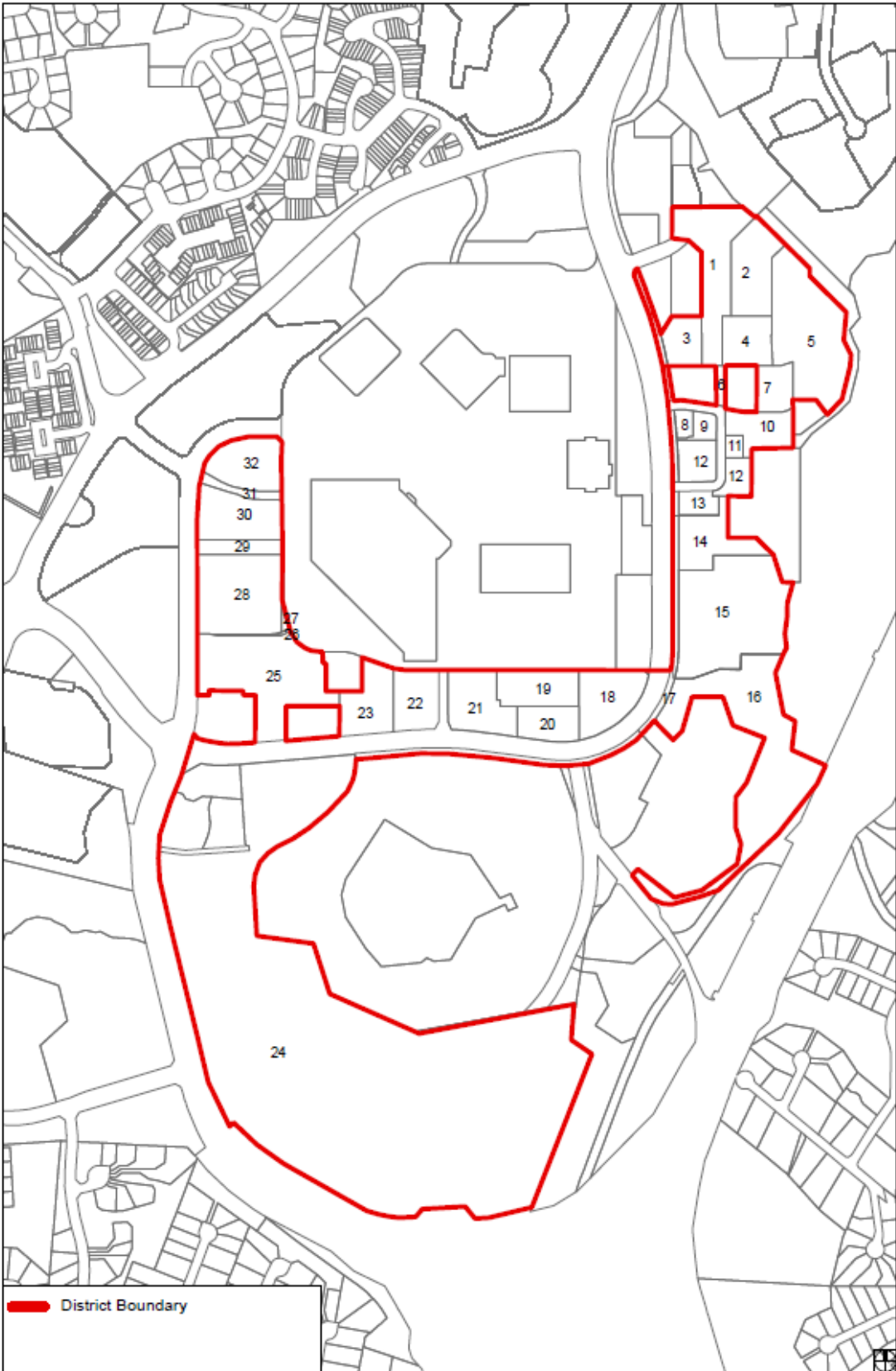


Exhibit 2

-	Item	Total	
		Budget	Qualified
Roads Segment 1:			
	Merriweather Drive (2,076 LF)	\$4,228,334	\$4,228,334
	Sky Lane (732 LF)	\$899,599	\$0
	Hickory Ridge (714 LF)	\$571,995	\$571,995
	Road segment 1 SW Piping, Treatment & Storage	\$1,647,907	\$1,647,907
	Road Segment 1 water & sewer	\$3,669,339	\$3,669,339
	Sub-total segment 1	\$11,017,173	\$10,117,574
Roads Segment 2:			
	Completion of Merriweather Drive, North section	\$3,937,008	\$3,937,008
	Road segment 2 SW Piping, Treatment & Storage (pro rata broken out - need info. from HRD)	\$830,277	\$830,277
	Road Segment 2 water & sewer (pro rata broken out - need info. from HRD)	\$1,836,687	\$1,836,687
	Sub-total segment 2	\$6,603,973	\$6,603,973
At-grade intersection improvements (multiple intersections)			
	Governor Warfield/Twin Rivers	\$359,355	\$359,355
	Little Patuxent/Swift Stream	\$267,319	\$267,319
	Broken Land/Twin Rivers	\$199,256	\$199,256
	Little Patuxent/Merriweather Drive	\$499,905	\$499,905
	Broken Land/Hickory Ridge Signalization	\$470,925	\$470,925
	Maintenance of traffic/nightwork premium	\$123,165	\$123,165
	Physical improvement allowance	\$978,075	\$978,075
	Sub-total intersection improvements	\$2,898,000	\$2,898,000
	Stormwater roadway	\$2,412,134	\$2,412,134
	Roads Segment 3 (Area 3 public roads)	\$6,479,135	\$0
	Dry utilities	\$1,181,250	\$0
	Multi-Use pathway (Crescent)	\$1,426,359	\$0
	Area 3 park	\$2,726,390	\$0
	Area 1 public space	\$519,677	\$0
	Public parking (area 3; garage c3.3) 2,545 spaces	\$51,168,911	\$51,168,911
	Public parking (area 3; garages C3.2 and C3.4) 418 total spaces	\$8,404,167	\$0
	Total District #1	\$94,837,170	\$73,200,592
	Crescent Phase II public parking structure (C-3R1 underground 190 spaces)	\$5,787,994	\$5,787,994
	Crescent Phase II public parking structure (C-3LR4 underground 100 spaces)	\$3,046,313	\$3,046,313
	Road segment 4 (NS Connector/jug handle)	\$15,939,000	\$15,939,000
	Lakefront public parking structure (598 spaces)	\$11,780,409	\$11,780,409
	Symphony Overlook public parking structure (2,000 spaces)	\$39,399,360	\$39,399,360
	Total improvements (all districts)	\$170,790,246	\$149,153,668
	Less: other sources of funds	\$0	(\$21,469,474)
	Qualified improvements financed by bonds	\$170,790,246	\$127,684,194

March 10, 2016

Exhibit 3

Economic and Fiscal Impact Report for Downtown Columbia as prepared by
Cohn Resznick

March 10, 2016

Exhibit 4

Site Plan Approval PDFs

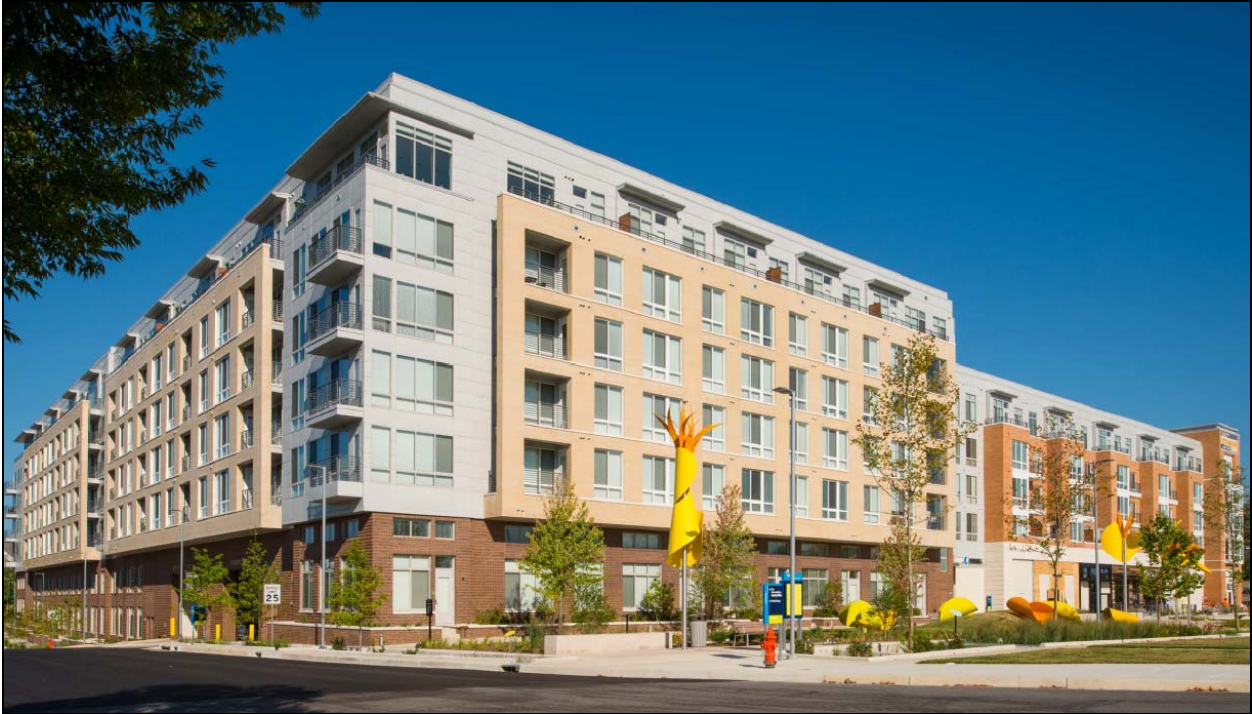
To Be Provided Upon Request

Includes 30+ PDF Approval Documents in Excess of 1,200 Pages

March 10, 2016

Exhibit 5

Development Map, Photos, and Renderings





March 10, 2016

Exhibit 6
RCLCO Market Analysis

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